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**HIGH-RANKING GENOVESE FIGURE PLEADS GUILTY TO U.S. CHARGES
OF CONTROLLING THREE LABOR UNIONS FOR ORGANIZED CRIME**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that LOUIS MOSCATIELLO pled guilty yesterday in Manhattan federal court to controlling various labor unions on behalf of the Genovese Organized Crime Family of La Cosa Nostra. Specifically, MOSCATIELLO pled guilty to using his influence over Locals 14 and 15 of the International Union of Operating Engineers ("Locals 14 and 15"), Local 530 of the Operative Plasters and Cement Masons Union ("Local 530"), and the District Council of New York and Vicinity of the United Brotherhood of Carpenters and Joiners ("Carpenters Union") to, among other things, obtain preferential and/or no-show jobs for other members and associates of organized crime, and allow contractors to bilk Local 530 and the Carpenters Union of payments that should have been paid to those unions' pension and welfare benefit funds.

MOSCATIELLO pled before United States District Judge NAOMI REICE BUCHWALD to charges of, among other things,

racketeering, extortion, and conspiracy to commit union embezzlement and mail fraud, all of which were contained in an Indictment and a superseding Information.

Prior to his guilty plea, MOSCATIELLO was charged in two separate Indictments with racketeering, extortion, fraud, and other charges relating to his alleged years-long corrupt control over labor unions on behalf of the Genovese Family. Specifically, in February 2003, MOSCATIELLO was arrested on a 61-count Indictment (the "Local 14 Indictment") filed in Manhattan federal court charging 24 defendants, including Ernest Muscarella, also known as "Ernie," a member of the ruling administration of the Genovese Organized Crime Family, with racketeering and/or related offenses. The Local 14 Indictment alleges that MOSCATIELLO was the Genovese LCN Family soldier who was principally responsible for supervising the Genovese LCN Family's criminal activities in connection with its control of labor unions engaged in the construction industry. The Local 14 Indictment further alleges, and MOSCATIELLO admitted during his guilty plea, that for approximately five years MOSCATIELLO and the other defendants, through the Genovese Family's corrupt influence over Locals 14 and 15, committed various crimes, including extortion. The Local 14 Indictment further charges, and MOSCATIELLO also admitted, that MOSCATIELLO and his co-conspirators used their corrupt influence to obtain preferential

and/or no-show jobs from Local 14 and 15 for various members and associates.

In April 2004, MOSCATIELLO was arrested on an 83-count Indictment (the "Drywall Indictment") filed in Manhattan federal court charging 22 defendants with corruptly controlling the unions associated with the drywall industry, Local 530 and the Carpenters' Union. Using this control, MOSCATIELLO and the Genovese Family allegedly allowed contractors associated with the Family to defraud union welfare funds and deprived union members of jobs on significant construction projects. According to the Drywall Indictment, MOSCATIELLO and a Capo in the Genovese Family created Local 530 in 1978, specifically to enhance the Genovese Family's control over the drywall industry. As alleged in the Drywall Indictment, MOSCATIELLO controlled Local 530 from the outset, serving as its first President and Business Manager, and, after MOSCATIELLO stepped down in 1991 as President of Local 530 following a labor bribery conviction, he continued to control Local 530 through a complicit union leadership.

According to the Drywall Indictment, MOSCATIELLO and the other racketeering defendants used their control over the two unions to make sure that the union leadership, including business agents and shop stewards, did not enforce key provisions of the collective bargaining agreements ("CBAs") between the unions and drywall contractors that were owned or controlled by the

defendants. Among other things, the CBAs required the defendants' companies to pay union-scale wages, to make contributions to welfare benefit funds and pension funds, and to employ only union labor on jobsites. According to the Drywall Indictment, however, those contractors associated with MOSCATIELLO and the Genovese Family were allowed to violate the CBAs in numerous ways on various construction jobsites throughout New York City and its vicinity, thus saving the contractors millions of dollars. During his guilty plea, for example, MOSCATIELLO specifically admitted to using his influence over the Carpenters Union to allow violations of the CBA at a major expansion of Kings County Hospital in Brooklyn, New York (a project funded by the Dormitory Authority of the State of New York).

All 24 of the defendants charged in the Local 14 Indictment, including MOSCATIELLO, Muscarella, Genovese Family soldier Pasquale "Scop" Deluca, and other associates of the Genovese Family have now pled guilty to various offenses, including racketeering, extortion and fraud relating to the Genovese Family's control over Locals 14 and 15 of the International Union of Operating Engineers. In particular, Muscarella pled guilty to racketeering charges and was sentenced to five years' imprisonment. The Drywall Indictment remains pending before United States District Judge KIMBA M. WOOD.

The Local 14 Indictment and the Superseding Information to which MOSCATIELLO pled carry a combined total maximum penalty of 100 years' imprisonment. MOSCATIELLO, who is 67 years old, has been detained since his arrest on the Drywall Indictment in April 2004 and he is scheduled to be sentenced by Judge BUCHWALD on December 1, 2004, at 3:00 p.m.

Mr. KELLEY recognized the special assistance provided by the New York State Organized Crime Task Force in the investigation and prosecution of these cases.

Mr. KELLEY praised the efforts of the Federal Bureau of Investigation, the Internal Revenue Service, the New York City Police Department, the Department of Labor, and the New York City Department of Investigation, for their assistance in the investigation.

Assistant United States Attorneys ADAM B. SIEGEL, JONATHAN S. KOLODNER, BENJAMIN M. LAWSKY and Special Assistant United States Attorney DENNIS WALSH are in charge of the prosecution.

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